

**Remarks of Gov. Bill Haslam to open the
Special Legislative Session to consider Insure Tennessee
February 2, 2015
--As prepared--**

Lt. Gov. Ramsey, Speaker Harwell, and members of the Tennessee General Assembly:

Let me begin by thanking you for the opportunity to come before you as you begin this Special Session. Calling a Special Session, which I've never done before, is not something I take lightly. I understand the difficulty of the subject we will be discussing. Issues surrounding health care are complex, and the politics can seem difficult, but there are few challenges facing our state or our country today as great as those presented by our broken health care system. I just don't believe that we can sit back and do nothing.

It might be worth it to remind ourselves how we got here. In 2010, Congress passed the Affordable Care Act. It was a massive piece of legislation that passed on a totally partisan basis. It was incredibly controversial then, and today, over five years later, it remains controversial.

In June of 2012, the U.S. Supreme Court ruled on a question about the legality of the Affordable Care Act. In a somewhat surprising ruling, they determined that the Affordable Care Act was constitutional but that the federal government could not force states to expand their Medicaid programs. Every state was left to decide on its own whether or not to cover the newly eligible population. While some states immediately decided that they would, others quickly said no. In Tennessee, we took time to evaluate our options to find the right answer for our state. In March of 2013, almost two years ago, I was in this chamber to tell you that Tennessee would not expand our Medicaid program. Expanding a broken system doesn't make sense. But, I also didn't think that flat out saying no to accepting federal dollars that Tennesseans are paying for, that are going to other states, and that could cover more Tennesseans who truly need insurance made much sense either.

So we started the work to find a third way - a Tennessee Plan. A plan that would leverage those federal dollars to really begin the work of fixing what is wrong with our health care system, to better align incentives for providers and consumers.

Regardless of where you are on the political spectrum, I think everyone agrees that our current system of health care does not work. It doesn't work in two ways – access nor cost. First, there are too many people who need medical care that aren't getting it. Secondly, everyone should realize that we have to do something to address health care costs.

My problem with Obamacare is that they took on one of those issues - providing more access to health care for folks without insurance coverage - but they did nothing to address the issues around the cost of health care. That was wrong then, and it's wrong now. In Tennessee, we want to do something to address that: To have a plan that leverages those federal dollars to really begin the work of fixing what's wrong with our healthcare system; To better align incentives for providers and consumers; To move away from a fee-for-service, completely volume-driven structure to an outcomes, value-based approach for our providers;

And we saw an opportunity for more Tennesseans to be covered in a way that would make them active participants in their health, with skin in the game, and reward them for healthy choices.

After nearly two years of hard work, we have a Tennessee-specific plan that addresses health outcomes and cost. This is not Obamacare. If it was, it wouldn't have taken us this long to negotiate. We have done what you asked us to do and what we said we would do. We found a unique, Tennessee solution. Here's how it works:

Insure Tennessee is a two-year pilot program that will not create any new taxes for Tennesseans and will not add any state cost to the budget. Once the 100 percent federal match is lowered to its eventual 90 percent, the Tennessee Hospital Association has committed that the industry will cover any additional cost to the state. The program will automatically terminate in the event that either federal funding or support from the hospitals changes in any way. The plan will provide two new options of health care coverage not currently provided in a traditional Medicaid program.

The first is called the Volunteer Plan. It will provide a voucher to participants that they can use to take part in their employer's health insurance plan. The voucher will be used to pay for premiums and other out-of-pocket expenses that are associated with private market plans.

The second is called the Healthy Incentives Plan. Participants in that plan could choose to receive coverage through a re-designed program of TennCare, which would introduce healthy incentives for Tennesseans, or HIT accounts, which are modeled after health reimbursement accounts and could be used to pay for a portion of the required cost sharing.

Insure Tennessee introduces personal responsibility and patient engagement through choice, incentives, and co-pays in a way that doesn't happen with Medicaid.

I want you to know how much I appreciate all of you who have truly dug in on this issue. I know there are a lot of honest questions, and I have been impressed with how many of you really are trying to find the right answer for you, your district, and our state. Many of you are concerned about what might happen if the federal government changes the rules, or if the hospitals change their mind about the assessment fee, or if after two years we decide that this is not right for Tennessee. In any of those events, we have the clear authority to end the program. There is a Supreme Court ruling, an Attorney General's opinion, and a letter from the Secretary of Health and Human Services that affirm our right to do that.

Many of you have asked: "Will we really want to cut people from the rolls?" After all, Tennessee has been down that road before, and many of you were here 10 years ago when we went through the painful experience of doing that.

I've thought about that long and hard and intentionally set the program up as a two-year pilot so that if that decision has to be made, it would be made in a time while I am still governor instead of passing it on to my successor.

The way I answer that question is this: Imagine it's your loved one that is in need of health care and has no way to pay for it now. He or she is like a man we heard about in Jackson two weeks ago. He was a carpenter who suffered from hypertension. He didn't have insurance, so he didn't have a primary care physician and used the emergency room when something went wrong. Because his hypertension wasn't managed through preventative and regular care, he ended up having a stroke. That landed him in the hospital, followed by rehabilitation, and now he is unable to work.

He was a hard working Tennessean that wasn't able to get the care he needed on the front end and that has real consequences for him and his family. It also means added cost for the rest of us. Having a stroke wasn't only devastating to him and his family, it could have been prevented, and not preventing it is costly to all of us. It's about getting the right care, at the right time, in the right place.

If you gave your loved one an option - you can have health coverage now to address your very real need and with that the possibility that you might lose it in the future, or you could never have it - which would you choose? If you think about your loved one, I bet the answer is simple.

I know that many of you are worried about the reliability of the federal government as our partner. I understand the concern, but I think it's worthy of mention that the United States of America has never missed a scheduled Medicaid payment.

Some have said that this is about bringing Obamacare to Tennessee. It's not. Tennesseans are already paying increased taxes due to Obamacare, and there are 150,000 people in this state receiving health care subsidies from Obamacare. And guess what? On average, those people are making three times more than the Tennesseans that would be covered through Insure Tennessee. That's Obamacare, but that's not what we're talking about. This is a chance to make a real difference in health care.

Finally, I know that many of you share my concern about our state becoming even more reliant on a federal government that is deeply in debt. I think all of you know my view on budgets. Next week I will be presenting to you my fifth budget as the governor of the state of Tennessee, and we have a track record of being able to make hard decisions. We have a record of fiscal responsibility that is second to none, and I would never do anything to endanger the financial strength that so many have worked so hard to build.

On the federal government side, I would not do this if I didn't honestly believe that our efforts will ultimately have a real impact on controlling health care costs in our country. Our country is not going to fix this issue around the deficit or around our national debt until we solve the health care cost crisis.

We should all be upset that Congress and President Obama passed a plan that did not do that when they had the chance. But we do have the chance. And that is why I'm recommending this plan.

As a Republican elected leader, I feel like we owe the country answers as to what we would do about health care. For too long, we've said what we don't like – mainly Obamacare. This is a chance to show what we would do. We talk frequently about wishing Washington would just block grant Medicaid to us. I still wish they would do that. And if they did do it, we would come up with a plan that looks a lot like this. Admittedly, we would go further and take more steps, but the plan would look a lot like this.

I think this is also an issue about who we are. My faith doesn't allow me to walk on the other side of the road and ignore a need that can be met - particularly in this case, when the need is Tennesseans who have life-threatening situations without access to health care. Particularly when the need can be met like this one can, without cost to our state, with money that our state is currently being taxed for and is sent elsewhere, and with a plan that can help answer one our nation's biggest issues.

I know and fully appreciate that for many, the easiest thing is to say: "This is Obamacare, and I want nothing to do with it."

I would ask you to look past the easy political argument and do what Tennesseans have always done – come up with a plan that addresses Tennesseans' needs and do it in a fiscally responsible way. Like many of you, I didn't come to state government just to make a point. I came to make a difference.

We have the chance to make a difference - a difference that will improve the lives of hundreds of thousands of Tennesseans and at the same time to begin attacking the out of control health care costs that have driven our state and our country for too long.

Two years ago, the General Assembly made two requests of us: First, to bring a unique and specific plan to Tennessee that met the needs of our citizens and was financially responsible for our state and the country; And second, to bring that plan back to the General Assembly for a vote.

I have done both of those things.

This plan is overwhelmingly supported by Republicans and Democrats in our state.

Tonight, I am asking for your vote to help Insure Tennessee.

###